

Clearances:
L/PM – Schildge ok PM/DTCL – Maloney
NSC – Nillson ok H – Cooper
PM/CPA - Greer ok PM/DTC–RSKovac
T –Tucker ok

Dear Madam Speaker:

Pursuant to Section 36(c) and Section 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad in the amount of \$100,000,000 or more.

The transaction contained in the attached certification involves the export of defense articles, including technical data, and defense services for the manufacture of the 737 Airborne Early Warning & Control (AEW&C) System, Project Wedgetail for end-use by the Australian Ministry of Defence.

The United States Government is prepared to license the export of these items having taken into account political, military, economic, human rights and arms control considerations.

More detailed information is contained in the formal certification which, though unclassified, contains business information submitted to the Department of State by the applicant, publication of which could cause competitive harm to the United States firm concerned.

Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 058-09

The Honorable
Nancy Pelosi,
Speaker of the House of Representatives.

**DEPARTMENT OF STATE
TRANSMITTAL NO. DDTC 058-09
CERTIFICATION OF PROPOSED ISSUANCE OF AN EXPORT
LICENSE PURSUANT TO SECTION 36(c) and 36(d)
OF THE ARMS EXPORT CONTROL ACT**

(1) Foreign Country or International Organization to Which Export Will Be Made:
Australia

(2) Dollar Value of the Proposed Export:

(a) Current Notification Value: \$1,015,000,000

(b) Total Value: 1,015,000,000 (See Attachment 1 relating to Project Sub-contract Activities)

(3) Description of the Transaction:

(a) Current license application: The Boeing Company proposes to amend an ongoing Manufacturing License Agreement with Boeing Defence Australia Limited – Australia to transfer defense articles, including technical data and defense services for the manufacture of the 737 Airborne Early Warning & Control (AEW&C) System, Project Wedgetail for end-use by the Australian Ministry of Defence. This agreement was previously notified pursuant to Section 36(c) under CN 047-01 on May 30, 2001 (See Attachment A). The overall scope of this agreement includes the fabrication of select aircraft parts and sub-assemblies, and the assembly, modification, installation and certification of four fully operational AEW&C Airborne Mission Segments into the 737-100 aircraft. This amendment extends the duration of the agreement until 2015 and increases the value of hardware permanently exported for incorporation into the AEW&C system segments.

(b) Total Scope: Previously notified pursuant to Section 36(c) as part of the Project Wedgetail Agreement under CN 047-01 on May 31, 2001 for a total project value of \$1,972,600,000

(4) Offset Arrangement: None.

(5) Authorized Sales Territory: Australia

(6) Date Certification Delivered to Congress:

NOTE: This report, although unclassified, is derived from information submitted to the Department of State by the applicant which is subject to the confidentiality requirements of section 38(e) of the Arms Export Control Act. Disclosure of an applicant's prices and customers could result in competitive injury.

Attachment 1 to CN 058-09
Description of Prior Notification under CN 047-01

- a. This manufacturing license agreement was previously notified pursuant to Section 36(c) as part of the Project Wedgetail production and sale agreement under CN 047-01 on May 30, 2001 for a total value of \$1,972,600,000.
- b. As part of an internal audit of the activities associated with this agreement and review of prior notifications, it was determined that the CN 047-01 (Project Wedgetail notification) did not accurately address the manufacturing, fabrication, assembly, and installation activities of significant military equipment abroad pursuant to Section 36(d).
- c. The Directorate of Defense Trade Controls has now determined that in order to best reflect the sub-contract activities associated with the overall Project Wedgetail Program, individual agreements meeting Congressional Notification thresholds (pursuant to Section 36(c) or 36(d), as applicable), as opposed to a single production and sale agreement, will now be notified. This agreement is being notified pursuant to both Section 36(c) - for its own specific value, and Section 36(d) for the manufacture of the significant military equipment abroad which was not previously addressed under CN 047-01.

Dear Madam Speaker:

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 058-09

The Honorable
Nancy Pelosi,
Speaker of the House of Representatives.

Dear Mr. Chairman:

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 058-09

The Honorable
John F. Kerry, Chairman,
Committee on Foreign Relations,
United States Senate.

Dear Senator Lugar:

Pursuant to Section 36(c) and Section 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad in the amount of \$100,000,000 or more.

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 058-09

The Honorable
Richard G. Lugar,
Committee on Foreign Relations,
United States Senate.

Dear Ms. Ros-Lehtinen:

Pursuant to Section 36(c) and Section 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad in the amount of \$100,000,000 or more.

The transaction contained in the attached certification involves the export of defense articles, including technical data, and defense services for the manufacture of the 737 Airborne Early Warning & Control (AEW&C) System, Project Wedgetail for end-use by the Australian Ministry of Defense.

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 058-09

The Honorable
Ileana Ros-Lehtinen,
Committee on Foreign Affairs,
House of Representatives.

Dear Mr. Chairman:

Pursuant to Section 36(c) and Section 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad in the amount of \$100,000,000 or more.

The transaction contained in the attached certification involves the export of defense articles, including technical data, and defense services for the manufacture of the 737 Airborne Early Warning & Control (AEW&C) System, Project Wedgetail for end-use by the Australian Ministry of Defense.

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 058-09

The Honorable
Howard L. Berman, Chairman,
Committee on Foreign Affairs,
House of Representatives.

Dear Mr. President:

Pursuant to Section 36(c) and Section 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad in the amount of \$100,000,000 or more.

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 058-09

The Honorable

Joseph R. Biden, Jr.,
President of the Senate.